Request for City Council Committee Action from the Department of City Coordinator

Date: November 18, 2013

To: Honorable Elizabeth Glidden, Chair, Regulatory, Energy & Environment Committee

Subject: Minneapolis Climate Action Plan Two-year (2014-15) Priorities Update

Recommendations: Receive and File.

Previous Directives:

- On January 27, 2012, the City Council adopted updated greenhouse gas reduction goals – to reduce community-wide greenhouse gas emissions 15 percent by 2015 and 30 percent by 2025 both from 2006 levels.
- On June 28, 2013, the City Council adopted the Minneapolis Climate Action Plan, which identified goals and strategies for reducing community-wide greenhouse gas emissions consistent with the City's adopted targets.
- On June 28, 2013, the City Council approved a direction to Sustainability staff to develop implementation priorities for the next 2 years (through 2015) and report back to the Regulatory, Energy and Environment Committee by November of 2013.

Department Information

Prepared by: Brendon Slotterback, Sustainability Program Coordinator
Approved by: Paul Aasen, City Coordinator _____
Presenters in Committee: Brendon Slotterback

Financial Impact: None

Community Impact None

Supporting Information:

The Minneapolis City Council revised its greenhouse gas emissions reduction targets in 2012 - to reduce community emissions 15 percent by 2015 and 30 percent by 2025, all from a 2006 baseline. These targets served as the basis for the development of the Minneapolis Climate Action Plan (the Plan), adopted by the Council in June, 2013.

The Plan focuses on three key sectors: Buildings and Energy, Transportation and Land Use, and Waste and Recycling. The goals and strategies in this Plan fall primarily into the following categories:

- **Significantly improving the energy efficiency of our commercial, residential and public buildings.** Strategies are identified to improve energy efficiency in commercial and residential buildings 20 and 15 percent respectively from a baseline of growth by 2025. City and other public buildings should continue to lead the way by aggressively pursuing cost-effective energy efficiency strategies.

- **Increasing our use of local, renewable energy.** The Plan calls for increasing our use of local or directly purchased renewable energy to 10 percent of the total electricity consumed in the city by 2025. The purchase of green power, and new approaches that make renewables more accessible and widespread, like solar gardens, will be pursued. Regulatory changes will be pursued to appropriately value and incentivize renewable energy.

- **Reduce vehicle miles traveled in Minneapolis while improving accessibility and building walkable, safe, and growing neighborhoods that meet the needs of all residents.** Improving access to transit, making walking and biking inviting and safe, and building diverse neighborhoods are priorities. We will identify and promote cleaner fuels for our transportation system.

- **Reduce our waste stream by reducing waste, encouraging reuse, and increasing recycling of both organic and inorganic material.** Improving recycling performance in the city, and expanding composting and the collection of organic material are priorities, with the goal of increasing our recycling rate to 50 percent by 2025. Residents will also have more information about the lifecycle impacts of their purchasing decisions, and we will strive for more efficient processing of our wastewater.

The emissions reduction potential of the Plan goals and strategies were estimated to determine the feasibility of meeting Minneapolis' greenhouse gas emissions reduction targets. Meeting the goals set for each strategy area would bring Minneapolis' emissions 19 percent below 2006 levels by 2015, and 33 percent below 2006 levels by 2025.

Two-year priorities (2014-2015)

Upon adoption of the Climate Action Plan, the City Council directed staff to work with other departments and the Community Environmental Advisory Commission (CEAC) to develop implementation priorities for the next two years (through 2015).

Soon after the adoption of the Plan, the City Council authorized the Energy Pathways Study to develop an Energy Vision for the City, and identify potential pathways to realize the Vision including new approaches to utility franchise agreements, innovative city-utility partnerships, legislative changes, and full municipalization of energy utilities.

Since the authorization of the study, city staff has been working closely with the consultants to incorporate the goals and strategies of the Climate Action Plan into both the Energy Vision, and the strategies being analyzed as part of the Pathways study.

Staff has also been working closely with CEAC to guide them through a process to give input on climate action priorities. A subcommittee of CEAC has met three times to identify priorities. On November 23rd, the subcommittee will meet to develop their final recommendations for consideration by the full CEAC. The full CEAC will review these recommendations at their December or January meeting.

A number of criteria were used to develop a draft list of priorities for review by CEAC:

- **Coordination with existing/ongoing plans and policies**. Initiatives that were already ongoing, or recently begun that were identified in the Climate Action Plan were placed on the priority list. Examples include implementation of the Building Energy Benchmarking & Disclosure Ordinance, deploying car sharing services to on-street spaces, and completing a study of the costs and benefits of a citywide organics recycling program.
- **Review of departmental work plans**. Sustainability staff discussed potential priorities with staff from other departments who would be primarily responsible for implementation. Public Works, CPED and the Health Department all provided input on how suggested priorities could be accommodated in the next two years.
- **Coordination with other climate and energy-related initiatives.** The Energy Pathways Study includes detailed review of a suite of strategies pulled primarily from

the Climate Action Plan, and the completed study will identify implementation pathways for these strategies. Staff continue to coordinate with the consultant to align this work. In addition, staff has been actively engaged in work at the Public Utilities Commission on a number of issues related to Climate Action Plan strategies. These include rulemaking around solar energy production and community solar, energy data access and privacy, and the upcoming rate case that will be filed by Xcel Energy. Strategies were identified as priorities that aligned with these initiatives.

- **Alignment with Climate Action Plan implementation goals**. The Climate Action Plan and Pathways Study prioritize strategies which will have the most significant impact on Minneapolis' greenhouse gas emissions. The Plan also identifies implementation goals besides carbon emissions reduction, such as advancing environmental and infrastructure equity between neighborhoods and communities. Priorities were sought that could advance equity while reducing emissions. Examples include developing a Green Zone initiative, expanding energy efficiency improvements in multi-family residences, and continuing to expand the urban tree canopy.

The draft two-year priorities currently under review by CEAC are listed on the next page. To date, they have suggested a number of changes to the list, but have not yet taken formal action. Staff will continue to work with CEAC on priorities, and provide feedback on their priorities from relevant departments. Sustainability staff will report back to the Regulatory, Energy and Environment Committee on final priorities no later than February 2014.

DRAFT 2014-2015 Climate Action Plan Priorities 11/18/13

(numbers correspond to Climate Action Plan document listing)

BUILDINGS & ENERGY	**Cross-Cutting Strategies**	1. Develop a Green Zone Initiative.
		9. Determine the feasibility of establishing conservation-based pricing or structuring of franchise fees and using the franchise agreement to support renewables.
		11. Develop tools to finance energy efficiency and renewable energy retrofits for commercial and residential buildings that have low barriers to entry and limited risk for local government.
		14. Monitor new technologies and regularly reassess strategies.
		15. Identify opportunities to increase conservation efforts within the downtown district heating and cooling system and make the system more efficient using technologies like combined heat and power.
		16. Identify opportunities to expand the use of district heating systems to new and existing buildings.
		17. Work with utility providers and the State of Minnesota to conduct a robust energy end-use analysis to inform future energy planning efforts by the City.
	Residential Buildings	1. Help 75 percent of Minneapolis homeowners participate in whole-house efficiency retrofit programs by 2025, ensuring the distribution reflects the current percentage of low and moderate income home ownership in the city.
		2. Help 75 percent of Minneapolis renters and rental property owners participate in efficiency retrofit programs by 2025, with a distribution that reflects the current percentage of low and moderate income rental housing in the city.
	Commercial Buildings	1. Continue to host an annual Energy Reduction Challenge (“Kilowatt Crackdown”) for Commercial Buildings in conjunction with the Building Owners and Managers Association (BOMA) and other partners.
		2. Implement a Building Energy Disclosure policy for medium and large commercial buildings
	Renewable Energy	1. Support efforts to align utility practices with City and State renewable energy policy.
		2. Implement small to mid-sized business renewable and on-site renewable incentive programs.
		3. Investigate the feasibility of large-scale renewable energy purchasing for municipal government and/or residents.
		5. Support new financing and ownership models for developing Minneapolis' solar resources.

TRANSPORTATION & LAND USE	**Planning and Land Use**	1. Plan for and encourage “complete neighborhoods.”
		2. Focus growth along community corridors designated in The Minneapolis Plan for Sustainable Growth.
		4. Integrate climate change reduction policies into the City's Homegrown Minneapolis and Food Council efforts.
		6. Continue to expand the urban tree canopy and achieve an equitable percentage of tree canopy across residential neighborhoods.
	Transit & Car Sharing	2. Support the build-out and upgrade of regional and local transit lines.
		6. Expand car sharing services to on-street spaces.
	Active Transportation	3. Construct 30 miles of on-street, protected bike facilities (cycle tracks) by 2020 to allow safe and efficient travel for all types of cyclists.
	Parking Management	4. Support the development of a citywide framework for curb space use.
	Other Strategies	1. Continue to shift to LED streetlights.
WASTE & RECYCLING	**Increase the Composting of Organics**	1. Identify major organic waste producers (e.g., food service, schools, hospitals) and conduct a targeted campaign to increase organics recycling.
		2. Based on the results of pilot programs and through a detailed study, determine the feasibility and costs of expanding the collection of source-separated organics at residential properties citywide.
	Addressing Product Lifecycle Impacts	2. Develop educational materials that illustrate the emissions impacts of common products or behaviors, and include these materials in City utility bills.